

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION No. 4650
ANSWERED ON 23rd MARCH, 2020 (MONDAY)/CHAITRA 3, 1942 (SAKA)

Survey on Financial Literacy

4650. SHRI SUDHEER GUPTA:
SHRI SANJAY SADASHIV RAO MANDLIK:
SHRI GAJANAN KIRTIKAR:
SHRI SHRIRANG APPA BARNE:
SHRI BIDYUT BARAN MAHATO:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has conducted surveys to measure financial literacy in rural population of the country and if so, the details thereof and the outcome of the survey, State/UT-wise;
- (b) whether the Government has an action plan to increase personalised banking services to improve financial literacy and awareness in rural areas and if so, the details thereof;
- (c) whether RBI has also advised Financial Literacy Centres of banks and rural branches to conduct special camp for newly included people in the financial system and if so, the details thereof;
- (d) the ratio of public and private sector banking agents to population in the rural areas, State/UT-wise; and
- (e) the other steps taken/being taken by the Government to improve the financial literacy in rural population of the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

- (a) and (b) As apprised by Reserve Bank of India (RBI), they have conducted a pan-India Financial Literacy and Inclusion survey in 29 States and 5 Union Territories (excluding Andaman & Nicobar Islands and Lakshadweep Islands). Under this survey, financial literacy was measured across three components namely financial knowledge, attitude and behaviour. Further, the maximum score for the three components of financial knowledge, financial attitude and financial behaviour are 7, 5 and 9 respectively. India's average scores in the three components are 3.7, 2.6 and 5.6 respectively and for financial literacy it is 11.9 out of the total score of 21.

As appraised by RBI, although, the State-wise financial literacy scores, based on the survey, for rural areas are not available, the same is available zone wise. The average score for different zones is as under:

Zone	Overall Financial Literacy Score	Urban	Rural
North	11.5	11.5	11.5
East	12.1	12.1	12.1
Central	12.4	12.5	12.1
West	12.6	12.6	12.5
South	11.0	11.2	10.3

Source: RBI

(c) to (e) RBI, vide circular dated 14.01.2016, had advised the banks to conduct special camps for the newly included people in the financial system including Pradhan Mantri Jan-Dhan Yojana (PMJDY) account holders, for a period of one year. Accordingly, Financial Literacy Centres (FLCs) of banks and rural branches of banks across the country had conducted special camps for newly inducted people in the financial system during the period January 2016 to March 2017 as per details given below:

Period	Number of Camps				
	Jan16 – Mar 16	Apr16- Jun16	Jul16- Sep16	Oct16- Dec16	Jan17- Mar17
FLCs	5,990	7,838	9,501	11,676	9,591
Rural Branches	34,115	38,568	37,983	36,918	37,528

Source: RBI

Further, as advised by RBI, financial literacy camps are organised by FLCs and rural branches of banks. Following are the numbers of such camps organised by FLCs and rural branches in the country:

Period	FY 2017-18	FY 2018-19	FY 2019-20 (upto Dec.)
FLCs	1,29,280	1,45,427	1,13,015
Rural Branches	2,64,120	3,05,672	2,61,428

Source: RBI

As informed by RBI, as on 31.3.2019, there were 5.41 lakh banking outlets in villages providing banking services through Business Correspondents (BCs). State-wise data of banking outlets in villages through BCs is at Annexure. Data regarding ratio of public and private sector banking agents to population for rural areas is not centrally maintained.

Annexure as referred in reply to in part (d) of the Lok Sabha unstarred Q. No. 4650 for answer on 23.03.2020	
State-wise data as on 31.03.2019	
State	No. of Banking Outlets in Villages through BCs
Andaman and Nicobar Islands	479
Andhra Pradesh	22,759
Arunachal Pradesh	2,497
Assam	21,387
Bihar	42,536
Chandigarh	150
Chattisgarh	15,613
Dadra & Nagar Haveli	106
Daman & Diu	17
Delhi	1,087
Goa	263
Gujarat	19,555
Haryana	9,428
Himachal Pradesh	7,363
Jammu & Kashmir	3,516
Jharkhand	25,676
Karnataka	26,117
Kerala	2,728
Lakshadweep	-
Madhya Pradesh	46,406
Maharashtra	37,842
Manipur	2,263
Meghalaya	4,315
Mizoram	426
Nagaland	803
Odisha	40,998
Puducherry	92
Punjab	11,062
Rajasthan	29,698
Sikkim	1,170
Tamil Nadu	18,817
Telangana	9,749
Tripura	751
Uttar Pradesh	90,613
Uttarakhand	10,345
West Bengal	34,502
Grand Total	5,41,129

Source: Reserve Bank of India